

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

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(617) 951-1354  
(617) 951-0586

November 23, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunication and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02202

Re: D.T.E. 04-70 — Petition of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric for Approvals Relating to the Issuance of Rate Reduction Bonds Pursuant to G.L. c. 164, § 1H

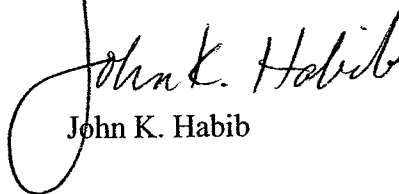
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Dear Secretary Cottrell:

Enclosed please find the responses of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric (the "Companies") to discovery questions asked by the Attorney General in the above-referenced proceeding, as listed on the following Discovery Log.

Thank you for your attention to this matter.

Very truly yours,



John K. Habib

Enclosures

cc: Service List  
Joan Foster Evans, Hearing Officer (2)  
Colleen McConnell, Assistant Attorney General (2)

## LOG OF RESPONSES FILED

D.T.E. 04-70

November 23, 2004

AG-1-1	Filed Herewith	Attachment AG-1-1 BULK CD-ROM
AG-1-2	Filed Herewith	
AG-1-3	Filed Herewith	Attachment AG-1-3 CD-ROM
AG-1-4	Filed Herewith	Attachment AG-1-4 (a) BULK CD-ROM Attachment AG-1-4 (b)
AG-1-5	Filed Herewith	Attachment AG-1-5
AG-1-6	Filed Herewith	Attachment AG-1-6 BULK CD-ROM
AG-1-7	Filed Herewith	Attachment AG-1-7
DTE-1-1		
DTE-1-2		
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DTE-1-16		
DTE-1-17		

Information Request AG-1-1

Please provide a redlined version of the proposed finance order in D.T.E. 98-118 showing the changes to that document to that proposed in this case.

Response:

Please see Attachment AG-1-1 **[BULK]**.

Information Request AG-1-2

Please provide the expected structure and terms of the bond series assuming that the bonds were issued today. Please include in the response, but do not limit it to, the following:

- (1) the principal amount issued for each maturity date;
- (2) the number of series;
- (3) the maturity date of the longest termed series;
- (4) the interest rates for each;
- (5) the call premium (if any) for each; and
- (6) all other call or refinancing terms.

For each of the factors that define the structure and terms of the bond series, please provide evidence supporting the determination of that factor as well as evidence showing it to be the least cost one available.

Response

If the RRB Trust Bonds were issued today, the expected structure and terms would be as follows:

**Proposed RRB Trust Financing**

<u>Class</u>	<u>Approx. Principal Amount (\$M)</u>	<u>Expected Maturity Date</u>	<u>Yield/Coupon Rate</u>
A1	106.6	9/15/06	2.8%
A2	236.5	9/15/09	3.5%
A3	92.7	9/15/10	4.0%
A4	<u>238.7</u>	3/15/13	4.4%
	\$674.5		

As has been customary for larger RRB securitizations, it is likely that multiple classes will reduce the overall cost to customers. The underwriters currently believe four classes are optimal, with the maturity characteristics shown above. In determining class characteristics, the underwriters normally consider both the overall size of the transaction (as this will determine the size of each class) and the final maturity of the overall transaction (as this will impact the principal payment dates and average lives for each class). The underwriters believe the proposed class structure to be optimal given the current market for these securities. The proposed offering will not be callable (other

NSTAR Electric  
D.T.E. 04-70  
Information Request: AG-1-2  
November 23, 2004  
Person Responsible: Emilie G. O'Neil  
Page 2 of 2

than a "clean-up call" at par plus accrued if less than 5 percent of the bonds are outstanding).

Information Request AG-1-3

Please itemize and quantify the transaction costs incurred to date. Please also provide copies of all associated invoices received to date.

Response

Please see Attachment AG-1-3 for transaction costs of issuance incurred to date.

AG-1-3

Estimated RRB Transaction Costs (assumes \$674.5 million RRB Transaction)

	<u>Total Estimate</u>	<u>Boston Edison Estimate</u>	<u>Actual Cost to Date</u>	<u>Commonwealth Estimate</u>	<u>Actual Cost to Date</u>
Underwriting spread	\$2,853,135	\$1,123,065		\$1,730,070	
Rating agency fees	637,250	250,837		386,413	
Accounting fees	80,000	31,490		48,510	
SEC registration fee (.01267%)	85,523	33,702	49	51,820	77
D.T.E. filing fee (\$750 for first million plus \$150 for each additional million)	101,775	40,061	39,721	61,714	62,129
Printing and marketing expenses	100,000	39,362		60,638	
Trustee fees and counsel	35,000	13,777		21,223	
Legal fees and expenses	1,839,000	723,876	160,947	1,115,124	334,614
Agency fees	200,000	78,725		121,275	
Original issue discount	290,035	114,165		175,870	
Lender consent fees	210,300	0		210,300	85,338
Day Loan	18,736	7,375		11,361	
Miscellaneous costs	62,000	24,405		37,595	
Total transaction costs of issuance	\$6,512,754	\$2,480,841	200,717	\$4,031,912	482,158

**Legal Fees / Securitization**

**Ropes & Gray Securitization Invoices**

Month	Total	BECO	Comm Electric
Sep-04	\$ 1,608.90	\$ -	\$ 1,608.90
Sep-04	\$ 110,711.27	\$ 43,177.40	\$ 67,533.87
Aug-04	\$ 18,034.44	\$ -	\$ 18,034.44
Aug-04	\$ 77,615.17	\$ 30,269.92	\$ 47,345.25
Jul-04	\$ 10,879.28	\$ -	\$ 10,879.28
Jul-04	\$ 93,829.61	\$ 36,593.55	\$ 57,236.06
Jul-04	\$ 1,319.85	\$ 514.74	\$ 805.11
Jun-04	\$ 15,006.00	\$ -	\$ 15,006.00
Jun-04	\$ 65,717.35	\$ 25,629.77	\$ 40,087.58
May-04	\$ 13,008.19	\$ -	\$ 13,008.19
May-04	\$ 41,967.04	\$ 16,367.15	\$ 25,599.89
Apr-04	\$ 24,340.21	\$ -	\$ 24,340.21
Apr-04	\$ 6,852.57	\$ 2,672.50	\$ 4,180.07
<b>Total</b>	<b>\$ 480,889.88</b>	<b>\$ 155,225.02</b>	<b>\$ 325,664.86</b>

**Keegan, Werlin Securitization Invoices**

Month	Total	BECO	Comm Electric
Sep-04	\$ 2,488.00	\$ 970.32	\$ 1,517.68
Sep-04	\$ 1,829.73	\$ 713.59	\$ 1,116.14
Aug-04	\$ 478.90	\$ 186.77	\$ 292.13
Aug-04	\$ 9,874.50	\$ 3,851.06	\$ 6,023.45
<b>Total</b>	<b>\$ 14,671.13</b>	<b>\$ 5,721.74</b>	<b>\$ 8,949.39</b>

**Total Legal Fees**

Total	BECO	Comm Electric
<b>\$ 495,561.01</b>	<b>\$ 160,946.76</b>	<b>\$ 334,614.25</b>



ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

October 22, 2004

Invoice No.: 354186

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Commonwealth Energy -- Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through September 30, 2004

Total Services. . . . . \$ 1,290.00

Related Disbursements and Charges

Telephone	117.41
Photocopy	119.70
Postage	5.67
Courier Service	18.12
Computer Assisted Research	46.00
Document Preparation	12.00

Total Related Disbursements and Charges . . . . . \$ 318.90

TOTAL \$ 1,608.90

Please refer to invoice number 354186 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

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BOSTON, MASSACHUSETTS 02110-2624

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Attachment AG-1-3  
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October 22, 2004

Invoice No.: 354185

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Boston Edison Company/Commonwealth Electric Company - -  
Securitization Financing

FOR PROFESSIONAL SERVICES rendered through September 30, 2004

Total Services. . . . . \$102,998.75

Related Disbursements and Charges

Photocopy	84.00
Courier Service	48.99
Meals	23.13
Taxi	149.76
Computer Assisted Research	250.64
Document Preparation	7,156.00

Total Related Disbursements and Charges . . . . . \$ 7,712.52

TOTAL \$110,711.27

Please refer to invoice number 354185 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

*Splur*  
*Beco 39%*  
*Com Elec 61%*  
*\* 43,177.40*  
*67,533.87*  
*\* 110,711.27*

ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

September 23, 2004

Invoice No.: 351171

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Commonwealth Energy -- Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through August 31, 2004

Total Services. . . . . \$ 17,860.00

Related Disbursements and Charges

Photocopy	28.80
Courier Service	29.64
Document Preparation	116.00

Total Related Disbursements and Charges . . . . . \$ 174.44

TOTAL \$ 18,034.44

Please refer to invoice number 351171 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

2004 15:30

ROPES & GRAY

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ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

September 23, 2004

Invoice No.: 351170

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Boston Edison Company/Commonwealth Electric  
Company - Securitization Financing

FOR PROFESSIONAL SERVICES rendered through August 31, 2004

Total Services. . . . . \$ 75,868.75

Related Disbursements and Charges

Photocopy	20.80
Courier Service	59.17
Meals	61.00
Taxi	7.45
Document Preparation	1,598.00

Total Related Disbursements and Charges. . . . . \$ 1,746.42

TOTAL \$ 77,615.17

Please refer to invoice number 351170 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

Com Elec	61	<del>46,569.10</del>	47,345.25
Buo	<del>486</del>	<del>31,046.07</del>	30,269.92
	39	<u>77,615.17</u>	

61  
39

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D.T.E. 04-70  
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August 13, 2004

Invoice No.: 347599

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Commonwealth Energy -- Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through July 31, 2004

Total Services . . . . . \$ 10,766.25

Related Disbursements and Charges

Telephone .53  
Photocopy 12.50  
Document Preparation 100.00

Total Related Disbursements and Charges . . . . . \$ 113.03

TOTAL \$ 10,879.28

Please refer to invoice number 347599 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

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ONE INTERNATIONAL PLACE  
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August 13, 2004

Invoice No.: 347598

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Boston Edison Company *Can Electric*  
Financing - Securitization

FOR PROFESSIONAL SERVICES rendered through July 31, 2004

Total Services..... \$ 88,562.50

Related Disbursements and Charges

Photocopy	70.30
Courier Service	11.83
Meals	61.00
Taxi	24.30
Computer Assisted Research	3,663.68
Document Preparation	1,436.00

Total Related Disbursements and Charges..... \$ 5,267.11

TOTAL \$ 93,829.61

Please refer to invoice number 347598 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

*Becc* ~~739%~~  
~~40%~~ ~~\$ 37,531.84~~  
*Can Elec* ~~60%~~ ~~\$ 56,297.77~~  
~~61%~~ ~~93,829.61~~

*57,236.07*  
*57,236.07*

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D.T.E. 04-70  
Attachment AG-1-3  
Page 9 of 26

August 13, 2004

Invoice No.: 347591

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Securitization Financing

BELCO/Com Elec.

FOR PROFESSIONAL SERVICES rendered through July 31, 2004

Total Services. . . . . \$ 1,248.75

Related Disbursements and Charges

Photocopy 12.70  
Taxi 58.40

Total Related Disbursements and Charges. . . . . \$ 71.10

TOTAL \$ 1,319.85

Please refer to invoice number 347591 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

\$ 514.74

39% BELCO

\$ 805.11

61% Com

ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
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July 23, 2004

Invoice No.: 345476

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Commonwealth Energy -- Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through June 30, 2004

Total Services. . . . . \$ 14,817.50

Related Disbursements and Charges

Tabs and Binding	14.40
Photocopy	94.10
Document Preparation	80.00

Total Related Disbursements and Charges . . . . . \$ 188.50

TOTAL \$ 15,006.00

Please refer to invoice number 345476 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.



ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

July 23, 2004

Invoice No.: 345475

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Boston Edison Company *Com Dec* - Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through June 30, 2004

Total Services. . . . . \$ 63,022.50

Related Disbursements and Charges

Photocopy 48.40  
Taxi 6.65  
Computer Assisted Research 815.80  
Document Preparation 1,824.00

Total Related Disbursements and Charges. . . . . \$ 2,694.85

TOTAL \$ 65,717.35

Please refer to invoice number 345475 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

*Beco 39 26,286.94 25,629.77*  
*Com Dec 61 39,430.41 40,087.58*  
*61*

**ROPES & GRAY LLP**  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

June 11, 2004

Invoice No.: 340746

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Commonwealth Energy -- Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through May 31, 2004

Total Services. . . . . \$ 12,742.50

Related Disbursements and Charges

Computer Assisted Research	75.69
Document Preparation	190.00

Total Related Disbursements and Charges. . . . . \$ 265.69

**TOTAL** \$ 13,008.19

Please refer to invoice number 340746 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

June 11, 2004

Invoice No.: 340745

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Boston Edison Company *Com Elec* Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through May 31, 2004

Total Services..... \$ 41,382.50

Related Disbursements and Charges

Photocopy 3.10  
Computer Assisted Research 13.44  
Document Preparation 568.00

Total Related Disbursements and Charges..... \$ 584.54

TOTAL \$ 41,967.04

Please refer to invoice number 340745 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

*Bele 39*  
*Com Elec 40%*  
*61*  
*16,788.82*  
*25,180.23*  
*16,367.15*  
*25,599.89*

ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

May 17, 2004

Invoice No.: 338061

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Commonwealth Energy -- Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through April 30, 2004

Total Services. . . . . \$ 22,776.25

Related Disbursements and Charges

Photocopy	1.10
Taxi	20.75
Computer Assisted Research	1,542.11

Total Related Disbursements and Charges . . . . . \$ 1,563.96

TOTAL \$ 24,340.21

Please refer to invoice number 338061 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

ROPES & GRAY LLP  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

May 17, 2004

Invoice No.: 338060

Boston Edison Company  
800 Boylston Street  
Boston, MA 02199

RE: Boston Edison Company - *ComEd* Securitization  
Financing

FOR PROFESSIONAL SERVICES rendered through April 30, 2004

Total Services. .... \$ 6,498.75

Related Disbursements and Charges

Computer Assisted Research 353.82

Total Related Disbursements and Charges. .... \$ 353.82

TOTAL \$ 6,852.57

Please refer to invoice number 338060 with your payment. Checks should be mailed to the attention of the Finance Department at One International Place, Boston, MA 02110-2624. Wire transfers should be made to Fleet Bank, 100 Federal Street, Boston, MA., ABA No. 011000390, Account No. 47919002.

Buco 39  
40%

Com Ed 65%  
61

~~2741.63~~ 2672.50  
~~4,111.54~~

4180.07

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

D.T.E. 04-70  
Attachment AG-1-3  
Page 16 of 26

TELECOPIERS:

(617) 951-1400

(617) 951-1354

(617) 951-0566

For Professional Services  
Rendered through  
September 30, 2004

NSTAR  
PO Box 990228  
800 Boylston Street, 17th Floor  
Prudential Center  
Boston, MA 02199-0228

Attn: Stephen Gray

Page: 1  
Invoice # 20889  
November 3, 2004

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Date	Description of Services	Hours	Amount
09-01-04	Robert N. Werlin		
		0.2	65.00
09-03-04			
		0.7	227.50
09-13-04			
		0.5	162.50
09-14-04			
		0.2	65.00
09-20-04			
		0.2	65.00
09-22-04			
		0.3	97.50
09-30-04			

CE \$1,517.68  
BEW \$ 970.32

NSTAR

Page 2  
Invoice # 20889

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Date	Description of Services	Hours	Amount
	conference.	0.7	227.50
		<hr/>	<hr/>
	Subtotal for Robert N. Werlin	2.8	910.00
Jack Habib			
09-01-04		0.1	21.00
09-15-04		0.3	63.00
09-16-04			
		0.3	63.00
09-20-04		0.1	21.00
		<hr/>	<hr/>
	Subtotal for Jack Habib	0.8	168.00
Evelyn Diaz			
09-01-04		4.5	450.00
09-17-04		0.3	30.00
09-20-04		2.0	200.00
09-20-04			
		4.0	400.00
09-20-04		0.5	50.00
09-21-04			

NSTAR

Page 3  
Invoice # 20889

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Date	Description of Services	Hours	Amount
09-22-04	REDACTED	1.0	100.00
09-27-04	REDACTED	0.8	80.00
		1.0	100.00
	Subtotal for Evelyn Diaz	14.1	1,410.00
	Total Professional Services	17.7	\$ 2,488.00
	Total Current Fees		2,488.00
	Total Current Amount Due		2,488.00
	Total Due		\$ 2,488.00



KEEGAN, WERLIN & PABIAN, LLP  
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265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

D.T.E. 04-70  
Attachment AG-1-3  
Page 19 of 26

TELECOPIERS:

(617) 951-1354

(617) 951-0586

(617) 951-1400

For Professional Services  
Rendered through  
September 30, 2004

NSTAR  
PO Box 990228  
800 Boylston Street, 17th Floor  
Prudential Center  
Boston, MA 02199-0228

Attn: Stephen Gray

Page: 1  
Invoice # 20363  
October 5, 2004

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Disbursement Description

Photocopies	860.50
Overnight Mail	842.03
Postage	127.20

Total Disbursements	\$ 1,829.73
	=====

Total Current Disbursements	1,829.73
	-----

Total Current Amount Due	1,829.73
	-----

Total Due	\$ 1,829.73
	=====

BECO  
713.59

CE  
1116.14

*[Handwritten signature]*

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

D.T.E. 04-70  
Attachment AG-1-3  
Page 20 of 26

TELECOPIERS:

(617) 951-1354

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For Professional Services  
Rendered through  
August 31, 2004

NSTAR  
PO Box 990228  
800 Boylston Street, 17th Floor  
Prudential Center  
Boston, MA 02199-0228

Attn: Stephen Gray

Page: 1  
Invoice # 19886  
September 15, 2004

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Disbursement Description

Courier Service	10.00
Photocopies	468.90
	-----
Total Disbursements	\$ 478.90
	=====
Total Current Disbursements	478.90
	-----
Total Current Amount Due	478.90
Total Due	\$ 478.90
	=====

BECU  
186,77

CE  
292.13

KEEGAN, WERLIN & PABIAN, LLP  
ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

D.T.E. 04-70  
Attachment AG-1-3  
Page 21 of 26

TELECOPIERS:

(617) 951-1354

(617) 951-0586

(617) 951-1400

For Professional Services  
Rendered through  
August 31, 2004

NSTAR  
PO Box 990228  
800 Boylston Street, 17th Floor  
Prudential Center  
Boston, MA 02199-0228

Attn: Stephen Gray

Page: 1  
Invoice # 20196  
September 27, 2004

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Date	Description of Services	Hours	Amount
08-15-04	Robert N. Werlin	3.1	1,007.50
08-16-04		0.6	195.00
08-24-04		1.1	357.50
08-25-04		5.0	1,625.00
08-26-04			

REDACTED

NSTAR

Page 2  
Invoice # 20196

Re: Securitization, Work Order #2004-21  
I.D. 242-00065

Date	Description of Services	Hours	Amount
08-27-04		2.8	910.00
08-28-04		0.4	130.00
08-29-04		0.3	97.50
08-30-04		2.4	780.00
08-31-04		1.3	422.50
		5.7	1,852.50
Subtotal for Robert N. Werlin		22.7	7,377.50
Jack Habib			
08-27-04			
08-30-04		1.4	294.00
08-31-04		0.2	42.00
		1.1	231.00
Subtotal for Jack Habib		2.7	567.00
Evelyn Diaz			

**REDACTED**

**Lender Consent Fees**

<b><u>Outstanding Debt Balance</u></b>	<b><u>Consent Fees (.25% of Outstanding Balance) *</u></b>	<b><u>Paid</u></b>	<b><u>To Be Paid</u></b>
<b>\$84,135,346</b>	<b>\$210,338</b>	<b>\$85,338</b>	<b>\$125,000</b>

**\* Per Amendments**

Lenderfees.doc



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

January 23, 1989

### D.P.U. FEE SCHEDULE

The Secretary of Administration and Finance of the Commonwealth of Massachusetts has established the following fee schedule for the Department of Public Utilities effective January 20, 1989. For your information, the Department is providing the complete schedule. If you have any questions regarding fees which apply to you, contact the Administration Division, 727-3500.

- (1) Commercial Motor Vehicle Division-intrastate vehicle identification decal to be displayed on each vehicle used by common or contract carriers  
.....\$20.00 annually
- (2) Applications
  - (a) Common Carrier Certificate: The certificate can be issued only after a hearing establishes public need  
.....\$100
  - (b) Contract Carrier Permits: permit can be issued only after public hearing  
.....\$100
  - (c) Assignment and transfer certificates or permits - transfers can be approved only after public hearing  
.....\$100 per transfer request
  - (d) To acquire stock of motor carrier; approval granted only after public hearing  
.....\$100 per transfer request
- (3) Postage and handling fees for issuance of each interstate vehicle devise (stamps) to trucks operating on Massachusetts ways which are based in states which grant reciprocity to Massachusetts (Federal Public Law 89-170)  
.....\$1
- (4) Commercial Motor Vehicle Division - Applications for certification as hazardous waste carrier  
.....\$100
- (5) Bus Permits
  - (a) Bus Permit (Original)
    - (1) Inspection.....\$20 one year
    - (2) Permit.....\$40 one year

- (b) Renewal bus permit.....\$40 annual
- (6) Driver's Licenses
- (a) New applicant.....\$10
- (1) Examination.....\$20 annual
- (2) License.....\$20 annual
- (b) Renewal License.....\$10
- (c) Replacement of lost license.....\$10
- (d) Over 70 - six month license.....\$10 per 1/2 yr
- (7) School service and special service permits
- (a) School service (filing).....\$40
- (b) Special service (filing).....\$40
- (8) Filing fees for public hearings, etc. All public hearings required and filings under Chapter 159A and 160
- (9) Petitions - For any other approval and authority (except financing) including filing fees.....\$100
- (10) Filing fee for radio carriers.....\$300
- (11) Filing fees for OCC's.....\$300
- (12) For filing an appeal to the Commission for a ruling or decision of the Director of Commercial Motor Vehicle Division.....\$100
- (13) For filing each application by any public utility for the approval of the issuance of stocks, bonds, notes or other evidence of indebtedness according to the amount hereof
- (a) 0 - 150,000.....\$200
- (b) 15,001 - 300,000.....\$300
- (c) 300,001 - 400,000.....\$400
- (d) 400,001 - 500,000.....\$500
- (e) 500,001 - 1,000,000.....\$750
- (f) For each additional \$100,000 or fraction thereof.....\$15
- (14) Tariff filings
- (a) Gas, water, and electric - each rate schedule.....\$15
- (b) Motor trucks filing - each rate filing up to thirty pages - plus additional charge per page after 30 pages.....\$15
- (c) Contract carriers of motor trucks - each contract.....\$15
- (d) Buses and rails - each rate filing.....\$15
- (e) Telephone rate schedule (including RCC's & OCC's)
- (1) Each page after 30.....15 cents
- (2) Minimum per filing.....\$15
- (f) Special permission.....\$50
- (15) Charter service operator license fee.....\$100
- (16) DPU acting as a municipal.....\$100
- (17) Eminent domain taking - fee.....\$100
- (18) Right to survey prior to eminent domain.....\$100
- (19) Extension of gas or electricity franchise.....\$100
- (20) MDC gas or electricity location.....\$100
- (21) Street variance by DPU order.....\$100
- (22) Testing of meters
- (a) Electric meters in use
- (1) Residential.....\$20

100,000

750

674,000,000  
x 15

101,100

101,850

39,241.50  
 62,128.50  
 101,850  
 100 39 1/2  
 100 39 1/2  
 100 39 1/2

SEC Fee

basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post effective amendment filed pursuant to Rule 462 under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: ☐

**CALCULATION OF REGISTRATION FEE**

<i>Title of each class of securities to be registered</i>	<i>Amount to be registered</i>	<i>Proposed maximum offering price per share(1)</i>	<i>Proposed maximum aggregate offering price(2)</i>	<i>Amount of registration fee</i>
Rate Reduction Certificates	\$1,000,000	100%	\$1,000,000	\$126.70
Notes of BEC Funding II, LLC	(2)	(2)	(2)	None
Notes of CEC Funding, LLC	(2)	(2)	(2)	None
Total	\$1,000,000	100%	\$1,000,000	\$126.70

(1) Estimated solely for the purpose of determining the registration fee in accordance with Rule 457O under the Securities Act of 1933.

(2) No additional consideration will be paid by the purchasers of the Rate Reduction Certificates for the Notes that secure the Rate Reduction Certificates

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.



Information Request AG-1-4

Please provide copies of Commonwealth Electric Company's indenture and other debt agreements. Please also indicate the covenants that would require amendments in order to issue the bonds in this case.

Response:

Please see Attachment AG-1-4A [BULK] and Attachment AG-1-4B. Attachment AG-1-4A is a copy of the outstanding Commonwealth agreements that required amendment to allow issuance of the RRBs. Attachment AG-1-4B is a copy of the consent agreement received from lenders. These consent agreements identify all covenants that required amendment to allow issuance of the RRBs.

## COMMONWEALTH ELECTRIC COMPANY

### First Amendment to Loan Agreement

This First Amendment to Loan Agreement (this "Amendment") is dated as of August 6, 2004 and is entered into by and among Commonwealth Electric Company, a Massachusetts corporation (the "Company"), and each of the lenders whose names appear on the signature page hereof (collectively, the "Lenders").

### Recitals

WHEREAS, the Company and the Lenders are party to that certain Loan Agreement dated as of December 19, 1986 (the "Existing Loan Agreement");

WHEREAS, the Lenders are the holders of the entire \$8,421,059 outstanding principal amount of the 9.37% Notes due January 1, 2012 (the "Notes") issued by the Company under the Existing Loan Agreement;

WHEREAS, the Company intends to apply to the Massachusetts Department of Telecommunications and Energy for a financing order authorizing the securitization of certain transition costs, including the buy-out of certain power purchase contracts with MASSPOWER and Dartmouth Power Associates, L.P. and deferred transition charges (the "Financing Order");

WHEREAS, in order to permit the Company to effect the proposed securitization the Company and the Lenders propose to amend the Existing Loan Agreement as set forth in this Amendment; and

WHEREAS, pursuant to Section 10.3 of the Existing Loan Agreement, the Company and the Lenders may amend the Existing Loan Agreement as set forth herein provided that the holders of at least 66-2/3% in aggregate principal amount of the Notes at the time outstanding consent thereto;

NOW THEREFORE, in consideration of the foregoing recitals, mutual agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Lenders agree as follows:

### SECTION I. AMENDMENTS TO EXISTING LOAN AGREEMENT

#### 1.1. Addition of Definitions.

"NSTAR": a Massachusetts business trust.

"Rate Reduction Bonds": shall mean obligations of the SPE Subsidiary secured by the Transition Property, the proceeds of which are used to recover Transition Costs as described in Section 1H of the Statute.

**"RTC Charge"**: the charge taken by the Company to recover reimbursable Transition Costs, as more fully set forth in (a) the Finance Order and (b) the issuance advice letter to the Department of Telecommunications and Energy from the Company related to such Finance Order.

**"Securitization"**: a securitization financing consisting of Rate Reduction Bonds by the Company and an SPE Subsidiary of the Company's Transition Costs pursuant to the terms and conditions set forth in the applicable Securitization Documents and in accordance with the provisions of the Statute.

**"Securitization Documents"**: with respect to any Securitization, collectively, (a) the applicable Finance Order, (b) a purchase agreement executed in connection therewith, pursuant to which the SPE Subsidiary purchases the Transition property from the Company, (c) a note indenture executed in connection therewith, pursuant to which the SPE Subsidiary issues note obligations in connection with the Securitization and (d) each note and certificate evidencing obligations in connection therewith and each other document, agreement and instrument entered into or delivered in connection therewith (including, a servicing agreement and an administration agreement), as amended or otherwise modified from time to time.

**"Securitization Investment"**: the capitalization of the SPE Subsidiary contributed by the Company in an amount equal to approximately 0.50% of electric rate reduction bonds, which amount may be used by such SPE Subsidiary to pay interest and principal on notes or other obligations of such SPE Subsidiary in connection with Securitizations and related fees and expenses.

**"SPE Subsidiary"**: a special purpose subsidiary organized by the Company to undertake a Securitization.

**"Statute"**: Chapter 164 of the Massachusetts General Laws.

**"Transition Costs"**: as defined in Section 1(G) of the Statute.

**"Transition Property"**: the right, title and interest of an SPE Subsidiary in and to all revenues, collections, claims, payments, money or proceeds of or arising from an RTC Charge.

- 1.2. **Amendment to Section 5.6 (Mergers; Disposition of Assets)**. Section 5.6 is amended by (a) adding the words "or NSTAR" after the words "to the Company" in clause (i), (b) deleting the word "and" at the end of clause (ii) thereof, and (c) by inserting the following new clause (iv) in proper sequence to read as follows: "and (iv) the Company may merge with or into another wholly owned Subsidiary of NSTAR the senior unsecured long term Debt of which is rated A- or better by Standard and Poor's Ratings Group, or sell, lease or otherwise dispose of its assets as an entirety, or substantially as an entirety, to such Subsidiary of NSTAR, if, immediately after such merger, sale, lease or other disposition, and giving effect thereto, no Default shall have occurred or be continuing, provided that (a) such Subsidiary of NSTAR expressly assumes, by an agreement in form and substance

reasonably satisfactory to the holders of the Notes (which agreement shall require the delivery in connection with such assumption of such opinion of counsel as the holders of the Notes may reasonably require), the due and punctual payment of the principal of, and the interest and premium, if any, on, all the Notes, and the due and punctual performance of the covenants and obligations of the Company under this Agreement and the Notes.”

- 1.3. **Amendment to Section 5.7 (Liens).** Section 5.7 is amended by (a) deleting the word "and" at the end of clause (iv) thereof and (b) inserting the following new clause (vi) and (vii) in proper sequence to read as follows:

"(vi) Liens on the property and assets of the SPE Subsidiary arising in connection with the Securitization, including but not limited to, the Transition Property; and

(vii) Liens on the Securitization Investment.”

- 1.4. **Amendment to Section 5.8 (Transaction with Affiliates).** Section 5.8 is amended by adding the following language at the end thereof:

"provided that, for the purposes of this Section 5.8 only, the Company may enter into a transaction pursuant to the Securitization Transaction."

- 1.5. **Amendment to Section 5.9 (Funded Debt).** Section 5.9 is amended by adding the following language at the end thereof:

"provided that, for purposes of this Section 5.9 only, the term Funded Debt shall not include debt incurred by either the Company or the SPE Subsidiary in connection with the Rate Reduction Bonds."

- 1.6. **Amendment to Section 7 (Event of Default; Remedies).**

Section 7.1(K) of the Existing Loan Agreement is amended in its entirety to read as follows:

“K. NSTAR shall cease to own, directly or indirectly, all of the outstanding shares of the Company;”

- 1.7. **Amendment to Section 10 (Miscellaneous).**

Section 10.8 is amended by adding the following language at the end thereof:

“, except in the event of a merger, consolidation or sale of assets of the Company not otherwise prohibited by this Agreement, in which case the surviving entity or transferee shall assume the obligations of the Company under this Agreement.”

## SECTION II. CONDITIONS TO EFFECTIVENESS

Section I of this Amendment shall become effective upon the satisfaction of all of the following conditions precedent:

- A. **Execution.** The Company and Lenders holding at least 66-2/3% of the outstanding aggregate principal amount of Notes shall have executed this Amendment.
- B. **Amendment Fees.** Each Lender who consents to the amendments set forth in this Amendment shall receive on the date of delivery of this Amendment an amendment fee equal to 0.25% of the outstanding principal amount of the Notes held by such Lender.
- C. **Other Fees.** The Lenders shall have received on or prior to the date hereof reimbursement of their expenses related to this Amendment in accordance with Section 10.1 of the Existing Loan Agreement.
- D. **Financing Order.** The Financing Order shall have been issued by the Massachusetts Department of Telecommunications and Energy.

## SECTION III. REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Amendment and to amend the Existing Loan Agreement in the manner provided herein, the Company represents and warrants to the Lenders that:

- A. **Corporate Power and Authority.** The Company has all requisite power and authority to enter into this Amendment.
- B. **Authorization of Agreements.** The execution and delivery of this Amendment and the performance of the Existing Loan Agreement as amended by this Amendment (the "Amended Agreement") have been duly authorized by all necessary action on the part of the Company.
- C. **No Conflict.** The execution and delivery by the Company of this Amendment does not violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of organization, other constitutive documents or by-laws of the Company or (B) any applicable order of any court or any rule, regulation or order of any governmental authority.
- D. **Governmental Consents.** No action, consent or approval of, registration or filing with, or any other action by, any governmental authority is or will be required in connection with the execution and delivery by the Company of this Amendment, except for such actions, consents and approvals which have been obtained and are in full force and effect.

- E. Binding Obligation.** This Amendment has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- F. Absence of Default.** No event has occurred and is continuing or will result from the execution and delivery of this Amendment that would constitute an Event of Default under the Amended Agreement.

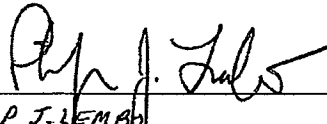
#### **SECTION IV. MISCELLANEOUS**

- A. Reference to and Effect on the Existing Loan Agreement.**
- (i) Except as specifically amended by this Amendment, the Existing Loan Agreement shall remain in full force and effect and is hereby ratified and confirmed.
- (ii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Lenders or the Company under, the Existing Loan Agreement.
- B. Headings.** Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.
- C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**
- D. Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

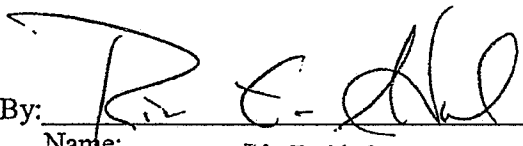
COMPANY:

COMMONWEALTH ELECTRIC COMPANY

By:   
Name: PHILIP J. LEMBO  
Title: ASST TREASURER

LENDERS:

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

By:  TD  
Name: Ric E. Abel  
Title: Vice President

## COMMONWEALTH ELECTRIC COMPANY

### First Amendment to Note Agreement

This First Amendment to Note Agreement (this "Amendment") is dated as of August 6, 2004 and is entered into by and among Commonwealth Electric Company, a Massachusetts corporation (the "Company"), and each of the Purchasers whose names appear on the signature page hereof (collectively, the "Purchasers").

### Recitals

WHEREAS, the Company and the Purchasers are party to that certain Note Agreement dated as of March 31, 1993 (the "Existing Note Agreement");

WHEREAS, the Purchasers are the holders of \$10,000,000 aggregate principal amount of 7.70% Notes due March 30, 2008 (the "Series B Notes"), \$25,000,000 aggregate principal amount of 7.98% Notes due March 30, 2013 (the "Series C Notes") and \$15,000,000 aggregate principal amount of 8.47% Notes due March 30, 2023 (the "Series D Notes") (each such series of notes referred to collectively as the "Notes") issued by the Company under the Existing Note Agreement;

WHEREAS, the Company intends to apply to the Massachusetts Department of Telecommunications and Energy for a financing order authorizing the securitization of certain transition costs, including the buy-out of certain power purchase contracts with MASSPOWER and Dartmouth Power Associates, L.P., and deferred transition charges (the "Finance Order");

WHEREAS, in order to permit the Company to effect the proposed securitization the Company and the Purchasers propose to amend the Existing Note Agreement as set forth in this Amendment; and

WHEREAS, pursuant to Section 11D of the Existing Note Agreement, the Company and the Purchasers may amend the Existing Note Agreement as set forth herein provided that the holders of at least 66-2/3% in aggregate principal amount of each series of Notes at the time outstanding consent thereto;

NOW THEREFORE, in consideration of the foregoing recitals, mutual agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchasers agree as follows:

### SECTION I. AMENDMENTS TO EXISTING NOTE AGREEMENT

- 1.1. Amendment to Definition of "Funded Debt". The definition of "Funded Debt" is amended by (a) deleting the word "and", which appears after the last comma, and by (b) adding the following language at the end thereof: "and obligations incurred by the Company or the SPE Subsidiary in connection with the Rate Reduction Bonds or the Securitization."



1.2. **Amendment to Definition of "Restricted Subsidiary"**. The definition of "Restricted Subsidiary" is amended by adding the following language at the end thereof: "Notwithstanding the foregoing, the term Restricted Subsidiary shall not include the SPE Subsidiary."

1.3. **Additional Definitions:**

Each of the following terms are hereby added to Section 10B:

"**Finance Order**": an order of the Massachusetts Department of Telecommunications and Energy in Docket D.T.E. 04-70 authorizing the Securitization of Transition Costs, including the buyout of certain power purchase agreements with MASSPOWER and Dartmouth and deferred transition charges.

"**NSTAR**": a Massachusetts business trust.

"**Rate Reduction Bonds**": shall mean obligations of the SPE Subsidiary secured by the Transition Property, the proceeds of which are used to recover Transition Costs as described in Section 1H of the Statute.

"**RTC Charge**": the charge taken by the Company to recover reimbursable Transition Costs, as more fully set forth in (a) the Finance Order and (b) the issuance advice letter to the Department of Telecommunications and Energy from the Company related to such Finance Order.

"**Securitization**": the securitization financing consisting of Rate Reduction Bonds pursuant to the terms and conditions set forth in the applicable Securitization Documents and in accordance with the provisions of the Statute and the Finance Order.

"**Securitization Documents**": with respect to the Securitization, collectively, (a) the applicable Finance Order, (b) a purchase agreement executed in connection therewith, pursuant to which the SPE Subsidiary purchases the Transition property from the Company, (c) a note indenture executed in connection therewith, pursuant to which the SPE Subsidiary issues note obligations in connection with the Securitization and (d) each note and certificate evidencing obligations in connection therewith and each other document, agreement and instrument entered into or delivered in connection therewith (including, a servicing agreement and an administration agreement), as amended or otherwise modified from time to time.

"**Securitization Investment**": the capital of the SPE Subsidiary contributed by the Company in an amount equal to approximately 0.50% of electric rate reduction bonds, which amount may be used by such SPE Subsidiary to pay interest and principal on notes or other obligations of such SPE Subsidiary in connection with the Securitization and related fees and expenses.

"**SPE Subsidiary**": a special purpose subsidiary organized by the Company to undertake the Securitization.

**"Statute"**: Chapter 164 of the Massachusetts General Laws.

**"Transition Costs"**: as defined in Section 1(G) of the Statute.

**"Transition Property"**: the right, title and interest of the SPE Subsidiary in and to all revenues, collections, claims, payments, money or proceeds of or arising from an RTC Charge.

- 1.4. **Amendment to Section 6B (Liens)**. Section 6B is amended by (a) deleting the word "and" at the end of clause (vi) thereof and (b) inserting the following new clauses (viii) and (ix) in proper sequence to read as follows:

"(viii) Liens on the property and assets of the SPE Subsidiary arising in connection with the Securitization, including but not limited to, the Transition Property; and

(ix) Liens on the Securitization Investment."

- 1.5. **Amendment to Section 6F (Sale of Property and Subsidiary Stock)**. Section 6F is amended by (a) deleting the word "and" at the end of clause (ii) thereof and (b) inserting the following new clause (iv) in proper sequence to read as follows:

"(iv) the sale of Transition Property to the SPE Subsidiary in connection with the Securitization."

- 1.6. **Amendment to Section 6I (Transaction with Affiliates)**. Section 6I is amended by inserting a sentence at the end thereof to read as follows:

"For purposes of this Section 6I, the sale of the Transition Property, and administration, servicing and similar arrangements, pursuant to the Securitization Documents shall not be considered material transactions."

- 1.7. **Amendment to Section 7A (Events of Default)**. Section 7A(xiv) of the Existing Note Agreement is amended to read in its entirety as follows:

"NSTAR shall cease to own, directly or indirectly, all of the outstanding shares of the Company; or"

## **SECTION II. CONDITIONS TO EFFECTIVENESS**

Section I of this Amendment shall become effective upon the satisfaction of all of the following conditions precedent:

- A. **Execution**. The Company and Purchasers holding at least 66-2/3% of the outstanding aggregate principal amount of each series of Notes shall have executed and delivered this Amendment.

- B. **Amendment Fees.** Each Purchaser shall have received an amendment fee equal to 0.25% of the outstanding principal amount of the Notes held by such Purchaser.
- C. **Other Fees.** The Purchasers shall have received on or prior to the date hereof reimbursement of their expenses related to this Amendment in accordance with Section 11B of the Existing Note Agreement.
- D. **Finance Order.** The Finance Order shall have been issued by the Massachusetts Department of Telecommunications and Energy.

### SECTION III. REPRESENTATIONS AND WARRANTIES

In order to induce the Purchasers to enter into this Amendment and to amend the Existing Note Agreement in the manner provided herein, the Company represents and warrants to the Purchasers that the following statements are true and correct in all material respects:

- A. **Corporate Power and Authority.** The Company has all requisite power and authority to enter into this Amendment.
- B. **Authorization of Agreements.** The execution and delivery of this Amendment and the performance of the Existing Note Agreement as amended by this Amendment (the "Amended Agreement") have been duly authorized by all necessary action on the part of the Company.
- C. **No Conflict.** The execution and delivery by the Company of this Amendment does not violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of organization, other constitutive documents or by-laws of the Company or (B) any applicable order of any court or any rule, regulation or order of any governmental authority, where any such violation, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business of the Company.
- D. **Governmental Consents.** No action, consent or approval of, registration or filing with, or any other action by, any governmental authority is or will be required in connection with the execution and delivery by the Company of this Amendment, except for (A) the Finance Order and (B) such actions, consents and approvals the failure to obtain or make could not reasonably be expected to result in a material adverse effect on the business of the Company or which have been obtained and are in full force and effect.
- E. **Binding Obligation.** This Amendment has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws

affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

- F. **Absence of Default.** No event has occurred and is continuing or will result from the execution and delivery of this Amendment that would constitute an Event of Default under the Amended Agreement.

#### SECTION IV. MISCELLANEOUS

- A. **Reference to and Effect on the Existing Note Agreement.**

(i) Except as specifically amended by this Amendment, the Existing Note Agreement shall remain in full force and effect and is hereby ratified and confirmed.

(ii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Purchasers or the Company under, the Existing Note Agreement.

- B. **Headings.** Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

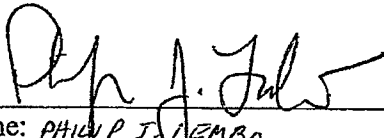
- C. **Applicable Law.** THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

- D. **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COMPANY:

COMMONWEALTH ELECTRIC COMPANY

By:   
Name: PHILIP J. LEMBO  
Title: ASST TREASURER

PURCHASERS:

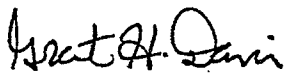
TEACHERS INSURANCE & ANNUITY  
ASSOCIATION OF AMERICA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PROVIDENT LIFE AND ACCIDENT  
INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

NEW YORK LIFE INSURANCE COMPANY

By:   
Name: Grant H. Davis  
Title: Investment Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COMPANY:

COMMONWEALTH ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

PURCHASERS:

TEACHERS INSURANCE & ANNUITY  
ASSOCIATION OF AMERICA

By: Marina Mavrakis *SKS*  
Name:  
Title: MARINA MAVRAKIS  
MANAGING DIRECTOR

PROVIDENT LIFE AND ACCIDENT  
INSURANCE COMPANY

By: \_\_\_\_\_  
Name:  
Title:

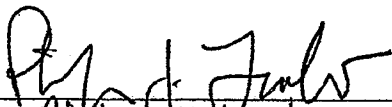
NEW YORK LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COMPANY:

COMMONWEALTH ELECTRIC COMPANY

By:   
Name: Philip S. Lembo  
Title: Assistant Treasurer

PURCHASERS:

TEACHERS INSURANCE & ANNUITY  
ASSOCIATION OF AMERICA

By: \_\_\_\_\_  
Name:  
Title:

PROVIDENT LIFE AND ACCIDENT  
INSURANCE COMPANY

By:   
Name: **W. Benson Vance**  
Title: **Vice President**

NEW YORK LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name:  
Title:

## COMMONWEALTH ELECTRIC COMPANY

### First Amendment to Note Agreement

This First Amendment to Note Agreement (this "Amendment") is dated as of August <sup>25</sup>, 2004 and is entered into by and among Commonwealth Electric Company, a Massachusetts corporation (the "Company"), and each of the Purchasers whose names appear on the signature page hereof (collectively, the "Purchasers").

### Recitals

WHEREAS, the Company and each of the Purchasers are party to separate and several Note Agreements each dated as of November 29, 1989 (collectively, the "Existing Note Agreement");

WHEREAS, the Purchasers are the holders of \$5,714,287 aggregate principal amount of 9.55% Notes Due 2007 (the "2007 Notes"), \$10,000,000 aggregate principal amount of 9.53% Notes Due 2014 (the "2014 Notes") and \$10,000,000 aggregate principal amount of 9.60% Notes Due 2019 (the "2019 Notes") (each such series of notes referred to collectively as the "Notes") issued by the Company under the Existing Note Agreement<sup>1</sup>;

WHEREAS, the Company intends to apply to the Massachusetts Department of Telecommunications and Energy (the "DTE") for a financing order authorizing the securitization of certain transition costs, including the buy-out of certain power purchase contracts with MASSPOWER, a Massachusetts general partnership ("MASSPOWER"), and Dartmouth Power Associates, L.P., a Massachusetts limited partnership ("Dartmouth"), and deferred transition charges;

WHEREAS, in order to permit the Company to effect the proposed securitization the Company and the Purchasers propose to amend the Existing Note Agreement as set forth in this Amendment; and

WHEREAS, pursuant to Section 11.5 of the Existing Note Agreement, the Company and the Purchasers may amend the Existing Note Agreement as set forth herein provided that the holders of 100% in aggregate principal amount of the Notes at the time outstanding consent thereto;

NOW, THEREFORE, in consideration of the foregoing recitals, mutual agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchasers agree as follows:

---

<sup>1</sup> \$1,000,000 aggregate principal amount of 9.50% Notes Due 2004 will be repaid prior to the effectiveness of this Amendment.



## SECTION I. AMENDMENTS TO EXISTING NOTE AGREEMENT

1.1. **Amendment to Definition of "Restricted Subsidiary"**. The definition of "Restricted Subsidiary" is amended by adding the following language at the end thereof: "; provided that the term Restricted Subsidiary shall not include the SPE Subsidiary."

1.2. **Additions to Definitions.** Section 10.1 is amended by adding the following definitions in the proper sequence:

Dartmouth - shall mean Dartmouth Power Associates, L.P., a Massachusetts limited partnership.

DTE - shall mean the Massachusetts Department of Telecommunications and Energy.

Financing Order - shall mean an order of the DTE in Docket D.T.E. 04-70 authorizing the Securitization of Transition Costs, including the buyout of certain power purchase agreements with MASSPOWER and Dartmouth and deferred transition charges.

MASSPOWER - shall mean MASSPOWER, a Massachusetts general partnership.

NSTAR - shall mean, NSTAR, a Massachusetts business trust.

Rate Reduction Bonds - shall mean obligations of the SPE Subsidiary in an amount not to exceed \$425,000,000 secured by the Transition Property, which obligation shall be non-recourse to the Company and the proceeds of which are used to recover Transition Costs, all in accordance with the Statute and the Financing Order.

RTC Charge - the charge collected by the Company to recover reimbursable Transition Costs, as more fully set forth in (a) the Financing Order and (b) the issuance advice letter to the DTE from the Company related to such Financing Order.

Securitization - the issuance of Rate Reduction Bonds by an SPE Subsidiary and related transactions pursuant to the terms and conditions set forth in the applicable Securitization Documents and in accordance with the provisions of the Statute and the Financing Order.

Securitization Documents - with respect to any Securitization, collectively, (a) the applicable Financing Order, (b) a purchase agreement executed in connection therewith, pursuant to which the SPE Subsidiary purchases the Transition Property from the Company (the "Purchase Agreement"), (c) a note indenture executed in connection therewith, pursuant to which the SPE Subsidiary issues note obligations in connection with the Securitization, and (d) each note and certificate evidencing obligations in connection therewith and each other document, agreement and instrument entered into or delivered in connection therewith (including, a servicing agreement and an administration agreement), as amended or otherwise modified from time to time, in the case of (b), (c) and (d), all entered into in accordance with the Financing Order, and, in the case of (a)-

(d), all in a form consistent in all material respects with the financing order issued by the DTE in Docket D.T.E. 98-118 (1999) and the documents entered into in connection with the rate reduction bond transaction authorized thereby.

Securitization Investment - the capitalization of the SPE Subsidiary contributed by the Company in an amount equal to approximately 0.50% of electric rate reduction bonds, which amount may be used by such SPE Subsidiary to pay interest and principal on notes or other obligations of such SPE Subsidiary in connection with Securitizations and related fees and expenses, all in accordance with the Financing Order.

SPE Subsidiary - a special purpose subsidiary organized by the Company to undertake a Securitization.

Statute - Chapter 164 of the Massachusetts General Laws as in effect on the date of the execution and delivery of this Amendment.

Transition Costs - as defined in Section 1H of the Statute.

Transition Property - the right, title and interest of an SPE Subsidiary in and to all revenues, collections, claims, payments, money or proceeds of or arising from an RTC Charge, in accordance with the provisions of the Statute and the Financing Order.

- 1.3. **Amendment to Section 7.4 (Funded Debt).** Section 7.4 is amended by inserting the following clause (c) in proper sequence to read as follows:

"(c) For purposes of this Section 7.4 only, the term Funded Debt shall not include the Rate Reduction Bonds."

- 1.4. **Amendment to Section 7.6 (Liens and Encumbrances).** Section 7.6 is amended by (a) deleting the word "and" at the end of clause (7) thereof, (b) adding the word "and" at the end of clause (8) thereof, and (c) inserting the following new clause (9) in proper sequence to read as follows:

"(9) Liens on the Transition Property pursuant to the Purchase Agreement.

- 1.5. **Amendment to Section 7.7 (Sale of Property and Subsidiary Stock).** Section 7.7 is amended by (a) deleting the word "and" at the end of clause (2) thereof, (b) adding the word "and" at the end of clause (3) thereof, and (c) inserting the following new clause (4) in proper sequence to read as follows: "(4) the sale of Transition Property by the Company to an SPE Subsidiary in connection with the Securitization and in accordance with the provisions of the Statute and the Financing Order."

- 1.6. **Amendment to Section 7.14 (Transactions with Affiliates).** Section 7.14 is amended by inserting new clause (c) in proper sequence to read as follows:

"(c) For purposes of this Section 7.14 only, transactions pursuant to the Securitization Documents shall not be considered material transactions."

- 1.7. **Amendments to Section 9 (Events of Default).** Section 9.1 (k) is amended in its entirety to read as follows:

“(k) Change in Control - NSTAR shall cease to own, directly or indirectly, all of the outstanding shares of the Company.”

## **SECTION II. CONDITIONS TO EFFECTIVENESS**

Section I of this Amendment shall become effective upon the satisfaction of all of the following conditions precedent:

- A. **Execution.** The Company and Purchasers holding at least 100% of the outstanding aggregate principal amount of the Notes (exclusive of Notes owned by the Company, any Related Company and any Affiliates) shall have executed this Amendment.
- B. **Amendment Fees.** Each holder of Notes shall receive an amendment fee equal to 0.25% of the outstanding principal amount of the Notes held by such holder, which fee shall be payable to each holder upon satisfaction of the condition precedent set forth in Section II.A.
- C. **Other Fees.** The Purchasers shall have received on or prior to the date hereof reimbursement of their expenses related to this Amendment in accordance with Section 1.5 of the Existing Note Agreement and any other agreement with respect to the payment of fees and expenses between the Company and any Purchaser.
- D. **Financing Order.** The Financing Order shall have been issued by the DTE.

## **SECTION III. REPRESENTATIONS AND WARRANTIES**

In order to induce the Purchasers to enter into this Amendment and to amend the Existing Note Agreement in the manner provided herein, the Company represents and warrants to the Purchasers that the following statements are true and correct in all material respects:

- A. **Corporate Power and Authority.** The Company has all requisite power and authority to enter into this Amendment.
- B. **Authorization of Agreements.** The execution and delivery of this Amendment and the performance of the Existing Note Agreement as amended by this Amendment (the "Amended Agreement") have been duly authorized by all necessary action on the part of the Company.
- C. **No Conflict.** The execution and delivery by the Company of this Amendment does not violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of organization, other

constitutive documents or by-laws of the Company or (B) any applicable order of any court or any rule, regulation or order of any governmental authority, where any such violation, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business of the Company.

- D. **Governmental Consents.** No action, consent or approval of, registration or filing with, or any other action by, any governmental authority is or will be required in connection with the execution and delivery by the Company of this Amendment, except for such actions, consents and approvals the failure to obtain or make could not reasonably be expected to result in a material adverse effect on the business of the Company or which have been obtained and are in full force and effect.
- E. **Binding Obligation.** This Amendment has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- F. **Absence of Default.** No event has occurred and is continuing or will result from the execution and delivery of this Amendment that would constitute a Default or an Event of Default under the Amended Agreement.

#### SECTION IV. COVENANTS

- A. The Company covenants and agrees to provide to Richard J. Wasserman, Esq, Day, Berry & Howard LLP, as representative of certain of the Purchasers, a copy of the Financing Order and the Securitization Documents prior to the issuance of the Rate Reduction Bonds.
- B. The Company will use the proceeds of the Rate Reduction Bonds to (a) funds its buy-out payments to each of MASSPOWER and Dartmouth, (b) provide for any credit enhancement required for the Rate Reduction Bonds, (c) pay transaction costs in connection with the issuance of the Rate Reduction Bonds, and (d) reduce capitalization and for general corporate purposes.

## SECTION V. MISCELLANEOUS

### A. Reference to and Effect on the Existing Note Agreement.

(i) Except as specifically amended by this Amendment, the Existing Note Agreement shall remain in full force and effect and is hereby ratified and confirmed.

(ii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Purchasers or the Company under, the Existing Note Agreement.

B. **Headings.** Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. **Applicable Law.** THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.

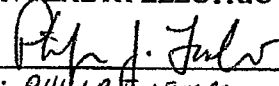
D. **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COMPANY:

COMMONWEALTH ELECTRIC COMPANY

By:   
Name: PHILIP J. LEMBO  
Title: ASST TREASURER

PURCHASERS:

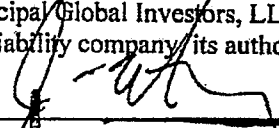
UNION FIDELITY LIFE INSURANCE  
COMPANY

By: GE Asset Management Incorporated,  
its Investment Advisor

By: \_\_\_\_\_  
Name: Thomas M. Powers  
Title: SVP, Senior Portfolio Manager

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC, a Delaware  
limited liability company/its authorized signatory

By:   
Name: JON C. HENRY  
Title: COUNSEL

By:   
Name: DEBRA SVOBEDA EPP  
Title: COUNSEL

ALLSTATE LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ALLSTATE LIFE INSURANCE COMPANY OF  
NEW YORK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Name: Thomas M. Powers  
Title: SVP, Senior Portfolio Manager

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC, a Delaware  
limited liability company, its authorized signatory

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



ALLSTATE LIFE INSURANCE COMPANY

By: W.R. Schmidt  
Name: WILLIAM R. SCHMIDT  
Title: \_\_\_\_\_

By: \_\_\_\_\_

PATRICIA W. WILSON  
ALLSTATE LIFE INSURANCE COMPANY OF  
NEW YORK



By: W.R. Schmidt  
Name: WILLIAM R. SCHMIDT  
Title: \_\_\_\_\_

By: \_\_\_\_\_

PATRICIA W. WILSON

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COMPANY:

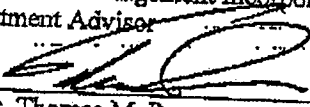
COMMONWEALTH ELECTRIC COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PURCHASERS:

UNION FIDELITY LIFE INSURANCE COMPANY

By: GE Asset Management Incorporated,  
its Investment Advisor

By:   
Name: Thomas M. Powers  
Title: SVP, Senior Portfolio Manager

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC, a Delaware  
limited liability company, its authorized signatory

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ALLSTATE LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ALLSTATE LIFE INSURANCE COMPANY OF  
NEW YORK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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### FIRST AMENDMENT

THIS FIRST AMENDMENT dated as of August 17, 2004 (this "Amendment") amends the Credit Agreement dated as of May 14, 2003 (the "Credit Agreement") among Commonwealth Electric Company (the "Borrower"), various financial institutions (the "Lenders") and Bank One, NA, as administrative agent (in such capacity, the "Administrative Agent"). Terms defined in the Credit Agreement are, unless otherwise defined herein or the context otherwise requires, used herein as defined therein.

WHEREAS, the Borrower, the Lenders and the Administrative Agent have entered into the Credit Agreement; and

WHEREAS, the parties hereto desire to amend the Credit Agreement as more fully set forth herein;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1 Amendments. Subject to the satisfaction of the conditions precedent set forth in Section 3, the Credit Agreement is amended as set forth below:

1.1 Amendment to Definition of "Consolidated Total Capitalization". The definition of "Consolidated Total Capitalization" is amended by adding the following language at the end thereof: "For purposes of this definition only, Indebtedness shall be deemed to exclude obligations incurred by an SPE Subsidiary in connection with a Securitization, so long as such obligations are non-recourse to the Borrower and its other Subsidiaries (except to the extent of the Securitization Investment in such SPE Subsidiary) and neither the Borrower nor any other Subsidiary has a then current obligation to repurchase such obligations from such SPE Subsidiary."

1.2 Addition of Definitions. The following new definitions are added to the Credit Agreement in proper sequence:

"Finance Order": with respect to any Securitization, an order of DTE relating to such Securitization.

"RTC Charge": the charge taken by the Borrower to recover reimbursable Transition Costs, as more fully set forth in (a) an applicable Finance Order and (b) the issuance advice letter to DTE from the Borrower related to such Finance Order.

"Securitization": a securitization financing by the Borrower and an SPE Subsidiary of the Borrower's Transition Costs pursuant to the terms and conditions set forth in the applicable Securitization Documents and in accordance with the provisions of the Statute, provided that the aggregate amount of Indebtedness outstanding in connection with all such Securitizations shall not exceed \$425,000,000.

"Securitization Documents": with respect to any Securitization, collectively, (a) the applicable Finance Order, (b) the purchase agreement executed in connection therewith, which shall be substantially similar to the Transition Property Purchase

Agreement and Sale Agreement dated as of July 20, 1999 between Boston Edison Company and BEC Funding, LLC, (c) the indenture executed in connection therewith, which shall be substantially similar to the Note Indenture dated as of July 20, 1999 between BEC Funding, LLC and The Bank of New York, as note trustee, and (d) each note and certificate evidencing obligations in connection therewith and each other document, agreement and instrument entered into or delivered in connection therewith (including each legal opinion delivered in connection therewith), as amended or otherwise modified from time to time.

"Securitization Investment": with respect to any SPE Subsidiary, the capital contributed by the Borrower to such SPE Subsidiary in an amount not to exceed \$4,250,000 at any time outstanding, which amount will be deposited into a capital subaccount and may be used by such SPE Subsidiary to pay interest and principal on notes or other obligations of such SPE Subsidiary in connection with Securitizations and related fees and expenses.

"SPE Subsidiary": a special purpose subsidiary organized by the Borrower to undertake a Securitization.

"Statute": Chapter 164 of the Massachusetts General Laws.

"Transition Costs": as defined in Section 1(G) of the Statute.

"Transition Property": the right, title and interest of an SPE Subsidiary in and to all revenues, collections, claims, payments, money or proceeds of or arising from an RTC Charge.

1.3 Amendment to Section 6.2. Section 6.2 is amended by (i) deleting the word "and" at the end of clause (i) thereof, (ii) redesignating clause "(j)" as clause "(k)" and (iii) inserting the following new clauses (j) and (k) in proper sequence:

"(j) Liens on Transition Property owned by an SPE Subsidiary;

(k) Liens on Securitization Investments in connection with Securitizations; and".

**SECTION 2 Representations and Warranties**. The Borrower represents and warrants to the Administrative Agent and the Lenders that, after giving effect to the effectiveness hereof, (i) the representations and warranties contained in Section 3 of the Credit Agreement are true and correct (except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date) and (ii) no Default exists.

**SECTION 3 Effectiveness**. The amendments set forth in Section 1 shall become effective on the date on which the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and the Required Lenders.

SECTION 4 Miscellaneous.

4.1 Continuing Effectiveness, etc. As amended hereby, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects. After the effectiveness of this Amendment, all references in the Credit Agreement and the Notes to "Credit Agreement" or similar terms shall refer to the Credit Agreement as amended hereby.

4.2 Counterparts. This Amendment may be executed in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original but all such counterparts shall together constitute one and the same Amendment.

4.3 Governing Law. This Amendment shall be governed by, and construed and interpreted in accordance with, the internal substantive law of the State of New York applicable to contracts made and to be performed entirely within such state.

4.4 Successors and Assigns. This Amendment shall be binding upon the Borrower, the Lenders and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of the Borrower, the Lenders and the Administrative Agent and the respective successors and assigns of the Borrower and the Administrative Agent.

08/17/2004 TUE 10:58 FAX

001/001

Delivered as of the day and year first above written.

COMMONWEALTH ELECTRIC COMPANY

By Philip Lembo/EB0  
Title Asst. Treasurer

BANK ONE, NA, individually and as  
Administrative Agent

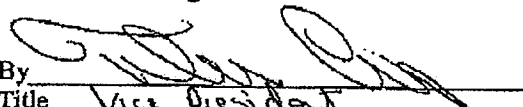
By \_\_\_\_\_  
Title \_\_\_\_\_

Delivered as of the day and year first above written.

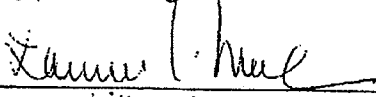
COMMONWEALTH ELECTRIC COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

BANK ONE, NA, individually and as  
Administrative Agent

By   
Title Vice President

KEYBANK NATIONAL ASSOCIATION,  
as Syndication Agent and as a Lender

By   
Title TIMOTHY A. MACLE  
GENERAL MANAGER

CITICORP USA, INC., as Documentation Agent  
and as a Lender

By \_\_\_\_\_  
Title \_\_\_\_\_

08/17/2004 10:08 FAX 212 782 6440

BANK OF TOKYO MITSUBISHI

0002

BANK OF TOKYO-MITSUBISHI TRUST  
COMPANY, as Documentation Agent and as a  
Lender

By

Name


Title

A. BERNSTEIN

Asst. Vice President



CITIZENS BANK OF MASSACHUSETTS

By   
Title Vice President

FLEET NATIONAL BANK

By \_\_\_\_\_  
Title \_\_\_\_\_

Information Request AG-1-5

Please itemize and quantify for each transaction, the transaction costs and the annual on-going service costs associated with the New Jersey, Texas, and Connecticut transactions referred to in Exhibit NSTAR-JF at page 2, lines 10-12.

Response

Please see Attachment AG-1-5. Mr. Fernando does not have access to the on-going service costs associated with those transactions. However, the annual servicing fee in these transactions ranges from 0.05 percent to 0.125 percent of the initial principal balance of the RRBs.

**Upfront Expense Summary for Selected RRB Transactions**

Issuance Size Issuance Date	CL&P <sup>(1)</sup> Mar-01	JCP&L <sup>(2)</sup> Jun-02	Atlantic City <sup>(2)(3)</sup> Dec-02	PSE&G <sup>(2)</sup> Feb-01	CPL Jan-02	Reliant Oct-01	Consumers Oct-01
<b>Cost Item</b>							
Underwriting Spread	\$5,839,849	\$1,948,000	\$2,546,000	\$13,008,692	\$3,867,023	\$3,144,000	\$4,000,000
Underwriting Spread (%)	0.41%	0.61%	0.58%	0.52%	0.48%	0.42%	0.85%
Structuring Fee	980,000	299,875	Not Listed	884,000	Not Listed	Not Listed	Not Listed
Registration Fee	379,040	29,440	183,750	631,278	221,482	207,000	126,500
Printing and Engraving Expenses	375,000	375,000	120,000	150,000	350,000	250,000	300,000
Trustee's Fees and Expenses	60,000	60,000	5,000	22,500	50,000	75,000	30,000
Legal Fees and Expenses	2,550,000	2,000,000	4,000,000	4,800,000	2,900,000	3,100,000	2,500,000
Blue Sky Fees and Expenses	Not Listed	7,500	3,000	10,000	Not Listed	Not Listed	Not Listed
Accountants' Fees and Expenses	75,000	275,000	130,000	45,000	500,000	75,000	150,000
Rating Agency Fees	516,000	455,000	506,000	470,000	600,000	550,000	600,000
Miscellaneous Fees and Expenses	100,000	2,898,060	1,126,000	171,222	1,000,000	1,290,130	493,500
SPE Set-Up Costs	25,000	Not Listed	Not Listed	Not Listed	25,000	Not Listed	100,000
Financial Advisor/State Agency Fee	175,000	Not Listed	Not Listed	Not Listed	Not Listed	1,600,000	Not Listed
Servicing Setup-up Costs	450,000	Not Listed	Not Listed	Not Listed	500,000	83,000	Not Listed
<b>Total Fees and Expenses<sup>(4)</sup></b>	<b>\$11,524,889</b>	<b>\$8,347,875</b>	<b>\$8,619,750</b>	<b>\$20,192,692</b>	<b>\$10,013,505</b>	<b>\$10,374,130</b>	<b>\$8,300,000</b>

Source: SEC S-3 Filings

1. Sourced from internal Lehman records
2. Misc fees includes financial advisory fees and SPE set-up and servicing costs
3. Information for ACE 2002 transaction, excludes ACE 2003 transaction
4. Totals may not include all expense items

Information Request AG-1-6

Please provide a copy of each of the finance orders associated with the transactions referred to in NSTAR-JF at page 2, lines, 10-12.

Response:

Please see Attachment AG-1-6 **[BULK]** for copies of the orders. The individual orders are organized by Bates numbering as follows:

- CT Light and Power Co., PUC 00-05-01, pp. 1-81;
- Public Service Electric & Gas, BPU Docket Nos, E097070461; E097070462; E097070463, pp. 83-215;
- TXU Electric Company, Docket No. 25230, pp. 216-340;
- CT Light and Power Company and United Illuminating Co., PUC 03-09-08, pp. 341-378;
- Atlantic City Electric Company, BPU Docket No, EF01060394, pp. 379-413;
- Atlantic City Electric Company, BPU Docket No, EF03020121, pp. 414-451;
- Reliant Energy, Incorporated, Docket No. 21665, pp. 452-620;
- Central Power and Light Company, Docket No. 21528, pp. 621-727;
- Jersey City Power and light Co, BPU Docket No, EF99080615, pp. 728-762; and
- Rockland Electric Company, BPU Docket No, EF02110852, pp. 763-823.

Information Request AG-1-7

Please provide copies of all letters to the Department proposing changes to the debt service calculation subsequent to the issue of the bonds approved in D.T.E. 98-118.

Response

Please see Attachment AG-1-7 for copies of the annual true-up letters filed with the Department.



**NSTAR SERVICES CO.**

800 Boylston Street  
Boston, Massachusetts 02199

William S. Stowe  
Assistant General Counsel

Phone: 617-424-2544

Fax: 617-424-2733

E-mail: [william\\_stowe@nstaronline.com](mailto:william_stowe@nstaronline.com)

D.T.E. 04-70  
The NSTAR Company  
Attachment AG-1-7  
Boston Edison  
Page 1 of 21  
ComElectric  
ComGas  
Cambridge Electric

March 13, 2000

**BY HAND**

Mary L. Cottrell, Secretary  
Department of Telecommunications & Energy  
One South Station  
Boston, MA 02110

Re: Boston Edison Company  
D.T.E. 98-118

Dear Ms. Cottrell:

As provided for in the Financing Order issued by the Department in the above-referenced docket, enclosed please find a copy of Boston Edison Company's first Routine True-Up Letter dated March 13, 2000. The Routine True-Up Letter utilizes the form and methodology as specified in the Financing Order. As set forth in the Routine True-Up Letter, the RTC Charge will be revised effective April 1, 2000 to 0.7067¢/kWh. Such revision to the RTC Charge will not necessitate any change in the Company's currently effective tariffs.

Please do not hesitate to contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,

Enclosure

cc: Jeanne Voveris, Hearing Officer  
Service List DTE 98-118 (By First Class Mail)

ROUTINE TRUE-UP LETTER

D.T.E. 04-70  
Attachment AG-1-7  
Page 2 of 21

March 13, 2000

ADVICE: D.T.E 98-118

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY (THE "DEPARTMENT") OF THE  
COMMONWEALTH OF MASSACHUSETTS

SUBJECT: Periodic RTC Charge True-Up Mechanism Advice Filing

Pursuant to D.T.E. Docket No. 98-118 (the "Financing Order"), Boston Edison Company ("Boston Edison") as Servicer of the RRBs or any successor Servicer and on behalf of the trustee as assignee of the special purpose entity (the "SPE") may apply for adjustment to the RTC Charge on each anniversary of the date of the Financing Order and at such additional intervals as may be provided for in the Financing Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order.

PURPOSE

This filing establishes the revised RTC Charge to be assessed and collected from all classes of retail users of Boston Edison's distribution system within the geographic service territory as in effect on July 1, 1997, whether or not energy is purchased from Boston Edison or any TPS, and whether or not such distribution system is being operated by Boston Edison or a successor distribution company. The RTC Charge is a usage-based component of the transition charge on each retail user's monthly bill and may include in the future a component of any exit fee collected pursuant to G.L. c. 164, Section 1G(g) until the Total RRB Payment Requirements are discharged in full. In the Financing Order, the Department authorized Boston Edison to file Routine True-Up Letters prior to each anniversary of the date of the Financing Order and at such additional intervals, if necessary, as provided for in the Financing Order. Boston Edison, or a successor Servicer, is authorized to file periodic RTC Charge adjustments to the extent necessary to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the sum of the Periodic RRB Payment Requirements (as defined in the Financing Order) for the upcoming year, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees, liabilities of the special purpose trust and liabilities to the underwriters related to the underwriting of the RRBs. Routine True-Up Letter filings are those where Boston Edison uses the methodology approved by the Department in the Financing Order to adjust upward or downward the existing RTC Charge. Using the methodology approved by the Department in the Financing Order, this filing modifies the variables used in the RTC Charge calculation and provides the resulting modified RTC Charge. Table I shows the revised assumptions for each of the variables used in calculating the RTC Charge for retail users. The assumptions underlying the current RTC Charges were filed in an Issuance Advice Letter, dated July 28, 1999.

Table I below shows the current assumptions for each of the variables used in the RTC Charge calculation.



**TABLE I**  
**INPUT VALUES FOR RTC CHARGE**

(a) Most recent RRB payment date for which payment data is available ("Measure Date"):	March 15, 2000
(b) Last RRB payment date related to this remittance period ("Target Date"):	March 15, 2001
(c) Annual ongoing transaction expenses to be paid through Target Date:	\$582,500
(d) Unpaid ongoing transaction expenses following payments on Measure Date:	\$0
(e) Required annual overcollateralization amount:	\$329,545
(f) Overcollateralization account deficiency following payments on Measure Date:	\$0
(g) Capital account deficiency following payments on Measure Date:	\$0
(h) Expected annual RRB principal payments through Target Date:	\$68,500,000
(i) Unpaid RRB principal payments following payments on the measure date:	\$0
(j) Interest payments on outstanding principal to be paid through Target Date:	\$44,673,291
(k) Unpaid interest following payments on Measure date:	\$0
(l) Total annual revenue requirement (sum of (c) through (k) above)	\$114,085,336
(m) Amounts on deposit in reserve account following payments on measure date:	\$2,614,013
(n) Collections expected to be realized in upcoming remittance period from prior RTC Charge:	\$32,147,918
(o) Required Debt Service and fees((l)-(m)-(n))	\$79,323,405
(p) kWh consumption on which upcoming RTC Charge is expected to be billed and collected in upcoming remittance period:	11,300,580,000
(q) Adjusted RTC Charge for retail users ( $\epsilon/\text{kWh}$ ) ( $o/p \cdot (1-s)$ ):	0.7067 $\epsilon/\text{kWh}$

**TABLE II**  
**INPUT VALUES FOR WEIGHTED AVERAGE DAYS SALES OUTSTANDING**

(r) Weighted Average Days Sales Outstanding ("WAD"):	41
(s) Annual RTC charge-offs for most recent reconciliation period (per annum):	0.67%



NSTAR Services Company  
Legal Department, Floor 17  
800 Boylston Street Boston, Massachusetts 02199

D.T.E. 04-70  
Attachment AG-1-7  
Page 4 of 21

William S. Stowe  
Assistant General Counsel

Tel: 617-424-2544  
Fax: 617-424-2733  
William\_Stowe@nstaronline.com

March 15, 2001

Via Courier

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, Floor 2  
Boston, MA 02110

Re: Boston Edison Company  
D.T.E. 98-118

Dear Secretary Cottrell:

As provided for in the Financing Order issued by the Department in the above-referenced docket, enclosed please find a copy of Boston Edison Company's second annual Routine True-Up Letter dated March 15, 2001. The Routine True-Up Letter utilizes the form and methodology as specified in the Financing Order. As set forth in the Routine True-Up Letter, the RTC Charge will be revised effective April 1, 2001 to 0.7586¢/kWh. Such revision to the RTC Charge will not necessitate any change in the Company's currently effective tariffs.

Please do not hesitate to contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,

Enclosure

cc: Jeanne Voveris, Hearing Officer  
Service List D.T.E. 98-118 (By First Class Mail)

ROUTINE TRUE-UP LETTER

D.T.E. 04-70  
Attachment AG-1-7  
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March 15, 2001

ADVICE: D.T.E. 98-118

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY (THE "DEPARTMENT") OF THE  
COMMONWEALTH OF MASSACHUSETTS

SUBJECT: Periodic RTC Charge True-Up Mechanism Advice Filing

Pursuant to D.T.E. Docket No. 98-118 (the "Financing Order"), Boston Edison Company ("Boston Edison") as Servicer of the RRBs or any successor Servicer and on behalf of the trustee as assignee of the special purpose entity (the "SPE") may apply for adjustment to the RTC Charge on each anniversary of the date of the Financing Order and at such additional intervals as may be provided for in the Financing Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order.

PURPOSE

This filing establishes the revised RTC Charge to be assessed and collected from all classes of retail users of Boston Edison's distribution system within the geographic service territory as in effect on July 1, 1997, whether or not energy is purchased from Boston Edison or any TPS, and whether or not such distribution system is being operated by Boston Edison or a successor distribution company. The RTC Charge is a usage-based component of the transition charge on each retail user's monthly bill and may include in the future a component of any exit fee collected pursuant to G.L. c. 164, Section 1G(g) until the Total RRB Payment Requirements are discharged in full. In the Financing Order, the Department authorized Boston Edison to file Routine True-Up Letters prior to each anniversary of the date of the Financing Order and at such additional intervals, if necessary, as provided for in the Financing Order. Boston Edison, or a successor Servicer, is authorized to file periodic RTC Charge adjustments to the extent necessary to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the sum of the Periodic RRB Payment Requirements (as defined in the Financing Order) for the upcoming year, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees, liabilities of the special purpose trust and liabilities to the underwriters related to the underwriting of the RRBs. Routine True-Up Letter filings are those where Boston Edison uses the methodology approved by the Department in the Financing Order to adjust upward or downward the existing RTC Charge.

Using the methodology approved by the Department in the Financing Order, this filing modifies the variables used in the RTC Charge calculation and provides the resulting modified RTC Charge. Table I shows the revised assumptions for each of the variables used in calculating the RTC Charge for retail users. The assumptions underlying the current RTC Charges were filed in an Issuance Advice Letter, dated July 28, 1999.

Table I below shows the current assumptions for each of the variables used in the RTC Charge calculation.

**TABLE I**  
**INPUT VALUES FOR RTC CHARGE**

(a) Most recent RRB payment date for which payment data is available ("Measure Date"):	March 15, 2001
(b) Last RRB payment date related to this remittance period ("Target Date"):	March 15, 2002
(c) Annual ongoing transaction expenses to be paid through Target Date:	\$582,500
(d) Unpaid ongoing transaction expenses following payments on Measure Date:	\$0
(e) Required annual overcollateralization amount:	\$329,545
(f) Overcollateralization account deficiency following payments on Measure Date:	\$0
(g) Capital account deficiency following payments on Measure Date:	\$0
(h) Expected annual RRB principal payments through Target Date:	\$68,500,000
(i) Unpaid RRB principal payments following payments on the measure date:	\$0
(j) Interest payments on outstanding principal to be paid through Target Date:	\$40,677,539
(k) Unpaid interest following payments on Measure date:	\$0
(l) Total annual revenue requirement (sum of (c) through (k) above)	\$110,089,584
(m) Amounts on deposit in reserve account following payments on measure date:	\$2,684,296
(n) Collections expected to be realized in upcoming remittance period from prior RTC Charge:	\$21,187,965
(o) Required Debt Service and fees((l)-(m)-(n))	\$86,217,323
(p) kWh consumption on which upcoming RTC Charge is expected to be billed and collected in upcoming remittance period:	11,442,032,000
(q) Adjusted RTC Charge for retail users ( $\$/kWh$ ) ( $(o/(p*(1-s)))$ ):	0.7586 $\$/kWh$

**TABLE II**  
**INPUT VALUES FOR WEIGHTED AVERAGE DAYS SALES OUTSTANDING**

(r) Weighted Average Days Sales Outstanding ("WAD"):	44
(s) Annual RTC charge-offs for most recent reconciliation period (per annum):	0.67%

EFFECTIVE DATE

In accordance with the Financing Order, Routine True-Up Letters for annual RTC Charge adjustments shall be filed prior to the anniversary of the Financing Order or more frequently, if necessary, with the resulting changes to be effective no sooner than 15 days after the filing of this Routine True-Up Letter. No resolution by the Department is required. Therefore, these RTC Charges shall be effective as of April 1, 2001.

NOTICE

Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Boston Edison's corporate headquarters.

EFFECTIVE DATE

D.T.E. 04-70

Attachment AG-1-7

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In accordance with the Financing Order, Routine True-Up Letters for annual RTC Charge adjustments shall be filed prior to the anniversary of the Financing Order or more frequently, if necessary, with the resulting changes to be effective no sooner than 15 days after the filing of this Routine True-Up Letter. No resolution by the Department is required. Therefore, these RTC Charges shall be effective as of April 1, 2000.

NOTICE

Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Boston Edison's corporate headquarters.



NSTAR Electric & Gas Corporation  
800 Boylston Street  
Legal Department – 17th Flr.  
Boston, MA 02199

William S. Stowe  
Assistant General Counsel

Phone: 617-424-2544  
Fax: 617-424-2733  
E-mail: [william\\_stowe@nstaronline.com](mailto:william_stowe@nstaronline.com)

March 15, 2002

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station – 2nd Flr.  
Boston, MA 02110

**Re: Boston Edison Company  
D.T.E. 98-118**

Dear Secretary Cottrell:

As provided for in the Financing Order issued by the Department in the above-referenced docket, enclosed please find a copy of Boston Edison Company's third annual Routine True-Up Letter dated March 15, 2002. The Routine True-Up Letter utilizes the form and methodology as specified in the Financing Order. As set forth in the Routine True-Up Letter, the RTC Charge will be revised effective April 1, 2002 to 0.7153¢/kWh. Such revision to the RTC Charge will not necessitate any change in the Company's currently effective tariffs.

Please do not hesitate to contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William S. Stowe", written in a cursive style.

Enclosure

cc: Jeanne Voveris, Hearing Officer  
Service List D.T.E. 98-118 (By First Class Mail)

ROUTINE TRUE-UP LETTER

D.T.E. 04-70  
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March 15, 2002

ADVICE: D.T.E 98-118

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY (THE "DEPARTMENT") OF THE  
COMMONWEALTH OF MASSACHUSETTS

SUBJECT: Periodic RTC Charge True-Up Mechanism Advice Filing

Pursuant to D.T.E. Docket No. 98-118 (the "Financing Order"), Boston Edison Company ("Boston Edison") as Servicer of the RRBs or any successor Servicer and on behalf of the trustee as assignee of the special purpose entity (the "SPE") may apply for adjustment to the RTC Charge on each anniversary of the date of the Financing Order and at such additional intervals as may be provided for in the Financing Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order.

PURPOSE

This filing establishes the revised RTC Charge to be assessed and collected from all classes of retail users of Boston Edison's distribution system within the geographic service territory as in effect on July 1, 1997, whether or not energy is purchased from Boston Edison or any TPS, and whether or not such distribution system is being operated by Boston Edison or a successor distribution company. The RTC Charge is a usage-based component of the transition charge on each retail user's monthly bill and may include in the future a component of any exit fee collected pursuant to G.L. c. 164, Section 1G(g) until the Total RRB Payment Requirements are discharged in full. In the Financing Order, the Department authorized Boston Edison to file Routine True-Up Letters prior to each anniversary of the date of the Financing Order and at such additional intervals, if necessary, as provided for in the Financing Order. Boston Edison, or a successor Servicer, is authorized to file periodic RTC Charge adjustments to the extent necessary to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the sum of the Periodic RRB Payment Requirements (as defined in the Financing Order) for the upcoming year, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees, liabilities of the special purpose trust and liabilities to the underwriters related to the underwriting of the RRBs. Routine True-Up Letter filings are those where Boston Edison uses the methodology approved by the Department in the Financing Order to adjust upward or downward the existing RTC Charge.

Using the methodology approved by the Department in the Financing Order, this filing modifies the variables used in the RTC Charge calculation and provides the resulting modified RTC Charge. Table I shows the revised assumptions for each of the variables used in calculating the RTC Charge for retail users. The assumptions underlying the current RTC Charges were filed in an Issuance Advice Letter, dated July 28, 1999.

Table I below shows the current assumptions for each of the variables used in the RTC Charge calculation.



**TABLE I**  
**INPUT VALUES FOR RTC CHARGE**

(a) Most recent RRB payment date for which payment data is available ("Measure Date"):	March 15, 2002
(b) Last RRB payment date related to this remittance period ("Target Date"):	March 15, 2003
(c) Annual ongoing transaction expenses to be paid through Target Date:	\$582,500
(d) Unpaid ongoing transaction expenses following payments on Measure Date:	\$0
(e) Required annual overcollateralization amount:	\$329,546
(f) Overcollateralization account deficiency following payments on Measure Date:	\$0
(g) Capital account deficiency following payments on Measure Date:	\$0
(h) Expected annual RRB principal payments through Target Date:	\$68,500,000
(i) Unpaid RRB principal payments following payments on the measure date:	\$0
(j) Interest payments on outstanding principal to be paid through Target Date:	\$36,203,627
(k) Unpaid interest following payments on Measure date:	\$0
(l) Total annual revenue requirement (sum of (c) through (k) above)	\$105,615,673
(m) Amounts on deposit in reserve account following payments on measure date:	\$492,889
(n) Collections expected to be realized in upcoming remittance period from prior RTC Charge:	\$23,288,792
(o) Required Debt Service and fees((l)-(m)-(n))	\$81,833,992
(p) kWh consumption on which upcoming RTC Charge is expected to be billed and collected in upcoming remittance period:	11,496,030,000
(q) Adjusted RTC Charge for retail users (¢/kWh) ( $o/(p*(1-s))$ ): (67% of .72% systemwide)	0.7153 ¢/kWh

**TABLE II**  
**INPUT VALUES FOR WEIGHTED AVERAGE DAYS SALES OUTSTANDING**

(r) Weighted Average Days Sales Outstanding ("WAD"):	49
(s) Annual RTC charge-offs for most recent reconciliation period (per annum): (67% of .72% systemwide chargeoffs)	0.48%

EFFECTIVE DATE

In accordance with the Financing Order, Routine True-Up Letters for annual RTC Charge adjustments shall be filed prior to the anniversary of the Financing Order or more frequently, if necessary, with the resulting changes to be effective no sooner than 15 days after the filing of this Routine True-Up Letter. No resolution by the Department is required. Therefore, these RTC Charges shall be effective as of April 1, 2002.

D.T.E. 04-70

Attachment AG-1-7

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NOTICE

Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Boston Edison's corporate headquarters.

Filename: s:/shared/corpfm/files/rtc/compliance 2002/routine trueup letter 2002.doc



800 Boylston Street, 17<sup>th</sup> Floor, Boston, Massachusetts 02199

D.T.E. 04-70  
Attachment AG-1-7  
Page 13 of 21

Boston Edison Company

Neven Rabadjija, Esq.  
NSTAR Electric & Gas Corporation  
Direct Dial: (617) 424-2223  
Facsimile: (617) 424-2733  
e-mail: [neven\\_rabadjija@nstaronline.com](mailto:neven_rabadjija@nstaronline.com)

March 17, 2003

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station – 2nd Flr.  
Boston, MA 02110

**Re: Boston Edison Company  
D.T.E. 98-118, 2003 RTC Charge True-Up**

Dear Secretary Cottrell:

As provided for in the Financing Order issued by the Department in the above-referenced docket, enclosed please find a copy of Boston Edison Company's fourth annual Routine True-Up Letter dated March 15, 2003. The Routine True-Up Letter utilizes the form and methodology as specified in the Financing Order. As set forth in the Routine True-Up Letter, the RTC Charge will be revised effective April 1, 2003 to 0.6576¢/kWh. Such revision to the RTC Charge will not necessitate any change in the Company's currently effective tariffs.

Please do not hesitate to contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Neven Rabadjija", written in a cursive style.

Enclosure

cc: Jeanne Voveris, Hearing Officer  
Service List D.T.E. 98-118 (By First Class Mail)

ROUTINE TRUE-UP LETTER

March 15, 2003

ADVICE: D.T.E 98-118

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY (THE "DEPARTMENT") OF THE  
COMMONWEALTH OF MASSACHUSETTS

SUBJECT: Periodic RTC Charge True-Up Mechanism Advice Filing

Pursuant to D.T.E. Docket No. 98-118 (the "Financing Order"), Boston Edison Company ("Boston Edison") as Servicer of the RRBs or any successor Servicer and on behalf of the trustee as assignee of the special purpose entity (the "SPE") may apply for adjustment to the RTC Charge on each anniversary of the date of the Financing Order and at such additional intervals as may be provided for in the Financing Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order.

PURPOSE

This filing establishes the revised RTC Charge to be assessed and collected from all classes of retail users of Boston Edison's distribution system within the geographic service territory as in effect on July 1, 1997, whether or not energy is purchased from Boston Edison or any TPS, and whether or not such distribution system is being operated by Boston Edison or a successor distribution company. The RTC Charge is a usage-based component of the transition charge on each retail user's monthly bill and may include in the future a component of any exit fee collected pursuant to G.L. c. 164, Section 1G(g) until the Total RRB Payment Requirements are discharged in full. In the Financing Order, the Department authorized Boston Edison to file Routine True-Up Letters prior to each anniversary of the date of the Financing Order and at such additional intervals, if necessary, as provided for in the Financing Order. Boston Edison, or a successor Servicer, is authorized to file periodic RTC Charge adjustments to the extent necessary to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the sum of the Periodic RRB Payment Requirements (as defined in the Financing Order) for the upcoming year, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees, liabilities of the special purpose trust and liabilities to the underwriters related to the underwriting of the RRBs. Routine True-Up Letter filings are those where Boston Edison uses the methodology approved by the Department in the Financing Order to adjust upward or downward the existing RTC Charge.

Using the methodology approved by the Department in the Financing Order, this filing modifies the variables used in the RTC Charge calculation and provides the resulting modified RTC Charge. Table I shows the revised assumptions for each of the variables used in calculating the RTC Charge for retail users. The assumptions underlying the current RTC Charges were filed in an Issuance Advice Letter, dated July 28, 1999.

Table I below shows the current assumptions for each of the variables used in the RTC Charge calculation.

**TABLE I**  
**INPUT VALUES FOR RTC CHARGE**

(a) Most recent RRB payment date for which payment data is available ("Measure Date"):	March 15, 2003
(b) Last RRB payment date related to this remittance period ("Target Date"):	March 15, 2004
(c) Annual ongoing transaction expenses to be paid through Target Date:	\$582,500
(d) Unpaid ongoing transaction expenses following payments on Measure Date:	\$0
(e) Required annual overcollateralization amount:	\$329,545
(f) Overcollateralization account deficiency following payments on Measure Date:	\$0
(g) Capital account deficiency following payments on Measure Date:	\$0
(h) Expected annual RRB principal payments through Target Date:	\$68,500,000
(i) Unpaid RRB principal payments following payments on the measure date:	\$0
(j) Interest payments on outstanding principal to be paid through Target Date:	\$31,801,045
(k) Unpaid interest following payments on Measure date:	\$0
(l) Total annual revenue requirement (sum of (c) through (k) above)	<b>\$101,213,090</b>
(m) Amounts on deposit in reserve account following payments on measure date:	\$882,976
(n) Collections expected to be realized in upcoming remittance period from prior RTC Charge:	\$24,246,349
(o) Required Debt Service and fees((l)-(m)-(n))	<b>\$76,083,765</b>
(p) kWh consumption on which upcoming RTC Charge is expected to be billed and collected in upcoming remittance period:	<b>11,623,928,000</b>
(q) Adjusted RTC Charge for retail users ( $\text{\$/kWh}$ ) ( $(o)/(p*(1-s))$ ):	<b>0.6576 <math>\text{\\$/kWh}</math></b>

**TABLE II**  
**INPUT VALUES FOR WEIGHTED AVERAGE DAYS SALES OUTSTANDING**

(r) Weighted Average Days Sales Outstanding ("WAD"):	44
(s) Annual RTC charge-offs for most recent reconciliation period (per annum): (67% of .69% systemwide chargeoffs)	0.46%

EFFECTIVE DATE

In accordance with the Financing Order, Routine True-Up Letters for annual RTC Charge adjustments shall be filed prior to the anniversary of the Financing Order or more frequently, if necessary, with the resulting changes to be effective no sooner than 15 days after the filing of this Routine True-Up Letter. No resolution by the Department is required. Therefore, these RTC Charges shall be effective as of April 1, 2003.

NOTICE

Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Boston Edison's corporate headquarters.

Filename: s:/shared/corpfin/files/rtc/compliance 2002/routine trueup letter 2002.doc



800 Boylston Street, PRU-17, Boston, MA 02199

D.T.E. 04-70  
Attachment AG-1-7  
Page 17 of 21

Boston Edison Company

Neven Rabadjija, Esq.  
NSTAR Electric & Gas Corporation  
Direct Dial: (617) 424-2223  
Facsimile: (617) 424-2733  
E-mail: [neven\\_rabadjija@nstaronline.com](mailto:neven_rabadjija@nstaronline.com)

March 15, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station – 2<sup>nd</sup> Floor  
Boston, MA 02110

**Re: Boston Edison Company  
D.T.E. 98-118, 2004 RTC Charge True-Up**

Dear Secretary Cottrell:

As provided for in the Financing Order issued by the Department in the above-referenced docket, enclosed please find a copy of Boston Edison Company's fifth annual Routine True-Up Letter dated March 15, 2004. The Routine True-Up Letter utilizes the form and methodology as specified in the Financing Order. As set forth in the Routine True-Up Letter, the RTC Charge will be revised effective April 1, 2004 to 0.6107 ¢/kWh. Such revision to the RTC Charge will not necessitate any change in the Company's currently effective tariffs.

Please do not hesitate to contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Neven Rabadjija", written in a cursive style.

Enclosure

cc: Jeanne Voveris, Hearing Officer  
Service List D.T.E. 98-118 (By First Class Mail)

ROUTINE TRUE-UP LETTER

D.T.E. 04-70  
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March 15, 2004

ADVICE: D.T.E 98-118

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY (THE "DEPARTMENT") OF THE  
COMMONWEALTH OF MASSACHUSETTS

SUBJECT: Periodic RTC Charge True-Up Mechanism Advice Filing

Pursuant to D.T.E. Docket No. 98-118 (the "Financing Order"), Boston Edison Company ("Boston Edison") as Servicer of the RRBs or any successor Servicer and on behalf of the trustee as assignee of the special purpose entity (the "SPE") may apply for adjustment to the RTC Charge on each anniversary of the date of the Financing Order and at such additional intervals as may be provided for in the Financing Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order.

PURPOSE

This filing establishes the revised RTC Charge to be assessed and collected from all classes of retail users of Boston Edison's distribution system within the geographic service territory as in effect on July 1, 1997, whether or not energy is purchased from Boston Edison or any TPS, and whether or not such distribution system is being operated by Boston Edison or a successor distribution company. The RTC Charge is a usage-based component of the transition charge on each retail user's monthly bill and may include in the future a component of any exit fee collected pursuant to G.L. c. 164, Section 1G(g) until the Total RRB Payment Requirements are discharged in full. In the Financing Order, the Department authorized Boston Edison to file Routine True-Up Letters prior to each anniversary of the date of the Financing Order and at such additional intervals, if necessary, as provided for in the Financing Order. Boston Edison, or a successor Servicer, is authorized to file periodic RTC Charge adjustments to the extent necessary to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the sum of the Periodic RRB Payment Requirements (as defined in the Financing Order) for the upcoming year, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees, liabilities of the special purpose trust and liabilities to the underwriters related to the underwriting of the RRBs. Routine True-Up Letter filings are those where Boston Edison uses the methodology approved by the Department in the Financing Order to adjust upward or downward the existing RTC Charge.

Using the methodology approved by the Department in the Financing Order, this filing modifies the variables used in the RTC Charge calculation and provides the resulting modified RTC Charge. Table I shows the revised assumptions for each of the variables used in calculating the RTC Charge for retail users. The assumptions underlying the current RTC Charges were filed in an Issuance Advice Letter, dated July 28, 1999.

Table I below shows the current assumptions for each of the variables used in the RTC Charge calculation.



**TABLE I**  
**INPUT VALUES FOR RTC CHARGE**

(a) Most recent RRB payment date for which payment data is available ("Measure Date"):	March 15, 2004
(b) Last RRB payment date related to this remittance period ("Target Date"):	March 15, 2005
(c) Annual ongoing transaction expenses to be paid through Target Date:	\$582,500
(d) Unpaid ongoing transaction expenses following payments on Measure Date:	\$0
(e) Required annual overcollateralization amount:	\$329,546
(f) Overcollateralization account deficiency following payments on Measure Date:	\$0
(g) Capital account deficiency following payments on Measure Date:	\$0
(h) Expected annual RRB principal payments through Target Date:	\$68,500,000
(i) Unpaid RRB principal payments following payments on the measure date:	\$0
(j) Interest payments on outstanding principal to be paid through Target Date:	\$27,286,956
(k) Unpaid interest following payments on Measure date:	\$0
(l) Total annual revenue requirement (sum of (c) through (k) above)	\$96,699,002
(m) Amounts on deposit in reserve account following payments on measure date:	\$1,187,215
(n) Collections expected to be realized in upcoming remittance period from prior RTC Charge:	\$22,297,570
(o) Required Debt Service and fees((l)-(m)-(n))	\$73,214,217
(p) kWh consumption on which upcoming RTC Charge is expected to be billed and collected in upcoming remittance period:	12,019,399,000
(q) Adjusted RTC Charge for retail users (¢/kWh) ( $o/(p*(1-s))$ ):	0.6107 ¢/kWh

**TABLE II**  
**INPUT VALUES FOR WEIGHTED AVERAGE DAYS SALES OUTSTANDING**

(r) Weighted Average Days Sales Outstanding ("WAD"):	42
(s) Annual RTC charge-offs for most recent reconciliation period (per annum): (67% of .39% systemwide chargeoffs)	0.26%

EFFECTIVE DATE

In accordance with the Financing Order, Routine True-Up Letters for annual RTC Charge adjustments shall be filed prior to the anniversary of the Financing Order or more frequently, if necessary, with the resulting changes to be effective no sooner than 15 days after the filing of this Routine True-Up Letter. No resolution by the Department is required. Therefore, these RTC Charges shall be effective as of April 1, 2004.

NOTICE

Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Boston Edison's corporate headquarters.

Filename: s:/shared/corpfin/files/rtc/compliance 2004/routine trueup letter 2004.doc

## Boston Edison Company 2004 Routine True-Up Letter Additional Information

- 1 Please provide the expected RRB outstanding balance as of the measure date and the target date.

<u>Class</u>	<u>Amount outstanding</u>	
	<u>03/15/2004</u> <u>Measure date</u>	<u>03/15/2005</u> <u>Target date</u>
A-3	\$68,500,000	\$0
A-4	\$170,875,702	\$170,875,702
A-5	<u>\$171,624,298</u>	<u>\$171,624,298</u>
	<u>\$411,000,000</u>	<u>\$342,500,000</u>

- 2 Regarding item (J) on Table I, please provide the interest rate and the outstanding principal balance used to calculate interest payments through the target date.

<u>Class</u>	<u>Amount O/S</u>	<u>Rate</u>	<u>Days</u>	<u>Interest</u>
<b>March 15, 2004 - September 14, 2004</b>				
A-3	\$68,500,000	6.62%	180	\$2,267,350.00
A-4	\$170,875,702	6.91%	180	\$5,903,755.50
A-5	\$171,624,298	7.03%	180	<u>\$6,032,594.07</u>
				\$14,203,699.58
<b>September 14, 2003 - March 14, 2004</b>				
A-3	\$34,649,752	6.62%	180	\$1,146,906.79
A-4	\$170,875,702	6.91%	180	\$5,903,755.50
A-5	\$171,624,298	7.03%	180	<u>\$6,032,594.07</u>
				<u>\$13,083,256.37</u>
<b>Total interest for the year</b>				<u>\$27,286,955.95</u>